IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No. 185 of 1995

For Approval and Signature:

HONOURABLE MR.JUSTICE R.S.GARG

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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COMMISSIONER OF INCOME TAX - Applicant(s)
Versus
NANALAL MANSUKHRAM - Respondent(s)

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Appearance :
MR MANISH R BHATT for Applicant(s) : 1,
SERVED BY RPAD - (N) for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE R.S.GARG
and
HONOURABLE MR.JUSTICE M.R. SHAH

Date : 26/07/2006

ORAL JUDGMENT

(Per : HONOURABLE MR.JUSTICE R.S.GARG)

Heard Mrs. Mona Bhatt, learned counsel for the Revenue. None for the respondent, though the Office Report shows that the respondent assessee is served.

2. At the instance of the Revenue, the Tribunal has referred the following question for our opinion;

> "Whether, the Appellate Tribunal is right in law and on facts in allowing interest of Rs. 22,285/-?"

3. In the matter of the very same assessee, earlier, References were made at the instance of the Revenue. The said References were registered as I.T.R. No. 76 of 1987 and I.T.R. No. 91 of 1990. Both the References were answered against the interest of the Revenue and observed that Section 36-1(iii) of the Act permits allowance of interest paid on any capital borrowed for the purpose of business. As the issue has already been concluded by this Court in its orders made in earlier References, observing the said orders we answer the

Reference against the interest of the Revenue. The Reference stands disposed of accordingly. No costs.

[R.S. Garg, J.]

[M.R. Shah, J.]

rmr.